

**RESOLUTION OF THE BOARD OF DIRECTORS OF HIGHLAND
SHORES OWNERS ASSOCIATION, INC. DATED OCTOBER 20, 2003
APPROVING AMENDMENT TO EXHIBIT 'C' OF THE
DECLARATION OF COVENANTS, CONDITIONS, AND
RESTRICTIONS FOR HIGHLAND SHORES OWNERS ASSOCIATION**

This Amendment to Exhibit "C" of the Declaration of Covenants, Conditions, and Restrictions for Highland Shores Owners Association (this "Amendment") is made as of the 20th day of October, 2003, by the Board of Directors (the "Board") of Highland Shores Owners Association, Inc. (the "Association").

WITNESSETH:

WHEREAS, pursuant to Article IX, Section 3 of the Declaration of Covenants, Conditions and Restrictions for Highland Shores Owners Association, recorded in Volume 1330, Page 46 of the Real Property Records of Denton County, Texas (the "Declaration"), the Board may make and enforce reasonable rules and regulations governing the use of the Properties, and

WHEREAS, pursuant to Article XII of the Declaration, the Association, acting through the Board, shall have authority to make and to enforce standards and restrictions governing the use of Residential Units and Common Area, and

WHEREAS, Exhibit "C" to the Declaration set forth the initial standards and restrictions for Land Use, and

WHEREAS, pursuant to Section 3.7 of the Highland Shores Owners Association Design Guidelines & Review Procedures for Residential Modifications, the Board may from time to time promulgate use restrictions governing the use of lots and Association common areas, and

WHEREAS, the current City of Highland Village code regarding Barrier Requirements for Outdoor Swimming Pools, requires that the maximum vertical clearance between grade and the bottom of the barrier shall be 2 inches (51 mm) (measured on the side of the barrier which faces away from the swimming pool), and as all residential lots contain or potentially could contain outdoor swimming pools, and as this requirement may, in areas of steep surface gradients (only), significantly and adversely impact the construction costs of members of the Association or the Association itself in constructing new fences pursuant to the Association's current maximum fence height guidelines and construction restrictions, and

WHEREAS, the Board of Directors is desirous of amending the restrictions and standards for Land Use to minimize such adverse impacts, and

WHEREAS, at a duly convened meeting of the Board held on October 20, 2003, at which a quorum was present, the Board voted to revise Paragraph 6 of Exhibit "C" attached to the Declaration.

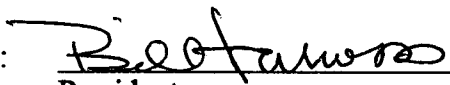
NOW, THEREFORE, Exhibit "C" of the Declaration is hereby amended as follows:

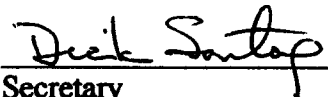
Paragraph 6, Walls, Fences, Hedges and Screening is amended by deleting the third sentence and substituting therefor the following:

No fence, wall or similar structure shall be more than six (6) feet high, with the exception that in discrete areas of steep surface gradient [as is judged and pre-approved by the Modification Committee (MC) or New Construction Committee (NCC), as is relevant], in order to fulfill both: (1) the Association's requirement that the fence top be maintained horizontal, stepping up or down with the grade; and (2) the City of Highland Village's code requirement for a maximum vertical clearance between grade and the bottom of the fence of 2 inches (51 mm), the maximum height of an individual fence segment, or portion thereof, which is within the necessitated step ups or step downs of such fence, shall be seven (7) feet. The remainder of the fence on more level grade shall be maintained at the six (6) feet maximum height. Approval of this exception, in writing, by the appropriate committee (MC or NCC) is required prior to construction.

IN WITNESS WHEREOF, the undersigned officers of Highland Shores Owners Association, Inc. hereby certify that the foregoing Amendment was duly adopted by the Board of Directors, as of the day and year first above written.

HIGHLAND SHORES OWNERS
ASSOCIATION, INC. a Texas
Corporation

By: 
President

Attest: 
Secretary